



## **Logistics service management in Vietnamese enterprises and foreign corporations**

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### **Abstract**

SCM (Supply Chain Management) is a part of ERP (computer software that automates the staff of the enterprise's staff with the aim of improving operational efficiency and comprehensive management effectiveness of enterprise). For the purpose of improving the supply chain, SCM has a combination of many artistic and scientific tactics to bring the best products / services to customers. SCM provides solutions to improve production and business efficiency and distribute products / services to customers in supply chain management. The origin of SCM is derived from the development of the Logistic industry - the supply or translation service is the logistics. Development logistic goes through three phases: Distribution (Distribution), Logistics system, supply chain management (SCM). In particular, the third stage is the crux of the problem we are investigating. This phase is focused on developing relationships, relationships with customers, partners and stakeholders. SCM has an important influence on both the output and the input of the business. SCM can change the input materials. In addition, it can also optimize the process of transferring materials, goods and services. The article will analyze SCM activities of foreign corporations and domestic enterprises in Vietnam.

**Keywords:** SCM, logistics services, foreign corporation, Vietnam

### **1. Introduction**

The concept of Supply Chain Management (SCM) first appeared in the 1980s, and was popular in the world in the 1990s. Since then, this process has become familiar and applied into many big companies such as Dell, Toyota, and especially Wal-mart. Thanks to its success in supply chain management, Wal-mart has quickly become a giant retail empire in the world, since it has advantages in cost and price compared to its competitors. Meanwhile, in Vietnam today the concept of SCM has been mentioned a lot, businesses have also begun to pay attention, but to understand what SCM is, how to build and manage the supply chain. Successful businesses are still wondering. The reality of Vietnamese enterprises in the retail sector is now a typical example. Since Vietnam joined the WTO, and especially since 2009 Vietnam has fully opened the retail market for enterprises with 100% foreign capital, the Vietnamese retail businesses are really afraid of losing market position. A necessary solution to help Vietnam's retail businesses maintain that market is effective supply chain management. Every company always seeks to create a smooth communication channel between suppliers and their customers, eliminating factors that hinder profitability, reduce costs, increase market share and gain a large number of customers. For that reason, SCM is considered a good solution to improve business efficiency. With SCM, the sharing of business data will not be confined within the enterprise, but has spread to suppliers, manufacturers and distributors. It can be said that the supply chain always pays attention to all production activities of your company, both in the present and the future, to balance supply and demand, and respond to changes in the market. SCM software can be seen as a set of the most complex software applications on

the software technology market. Each of the components in the supply chain includes dozens of different specific tasks, even a few of that requires specific software. There are many large software vendors trying to gather many small software applications in SCM into a single program, but hardly anyone has succeeded. Combining separate small software into common software seems to be a nightmare for many software companies around the world.

### **2. Theoretical Framework**

#### **2.1. SCM Concept**

Supply chain management (SCM) is defined as the process from when the enterprise seeks, purchases raw materials, produces / processes products, and delivers the product to customers. In general, the SCM supply chain management software system is a set of tools for managing jobs from planning to purchase materials, selecting suppliers, and making processes according to which suppliers will have to Compliance in providing materials for businesses, planning for production volumes, managing delivery processes including warehouse management and delivery schedules, to managing returns and customer support. In receiving goods. Supply chain management software refers to a series of tools designed to control the business process, perform chain / material supply transactions, and manage relationships with supplier. The functions of SCM software are very diverse according to the application needs according to the operation characteristics of each enterprise. However, it is possible to include common features including: order fulfillment, shipping (TMS), inventory, warehouse management system (WMS) and supplier sourcing.

Some SCM software is equipped with advanced functions.

For example, the market forecast function helps companies control fluctuations in supply demand by using complex algorithms, consumption analysis functions to evaluate customers through history of trade. Supply chain software, if successfully deployed, will be an invaluable set of tools for the company to optimize production efficiency and plan for the future. Logistics is the process of optimizing the position, cargo movement and resources from the first point of the supply chain to the end consumer, through a series of economic activities. The cost of logistics is formed from the cost of activities in the supply chain, including: Customer service costs; transport costs; Warehouse costs; information system costs; production, purchasing and reserve costs. In particular, transportation costs and warehousing costs account for the largest proportion of total logistic costs of enterprises

## 2.2. Market trend of supply chain management software

- Online sales channel: Over the past decade, online retail sales have exploded, and online retailers always need an efficient warehouse management system, a powerful inventory control and strong shipping function. For suppliers who have many warehouses and points of sale, when receiving the delivery order, based on the address information of the recipient, they will place an order to deliver goods at a warehouse near the delivery address in order to save shipping costs.
- Web-based SCM software: In the client-server deployment model, the software is installed internally in the enterprise application (local PC installed). Different from the traditional method of deployment, in SCM online software, maintaining, upgrading, storing and backing up data will be undertaken by suppliers. Users will access and use SCM software through a web browser. The trend of online SCM software application is slower than some other industries. However, with the speed of technology development increasing rapidly, along with the hard to miss benefits such as high ability to work collaboratively, e-commerce, factors everywhere at all times will make many suppliers join the market. Currently in the world of S2K Warehouse Management software products of developer VAI (Vormittag Associates, Inc.) and SAP are the most active pioneers in developing this new SCM platform.
- Environmentally friendly: With a growing sense of environmental protection, consumers start thinking about logistics every time they consider buying a new product. This trend is most noticeable in the food industry, where groceries and restaurants are starting to brand the products under slogans and logos like "made in abc / xyz origin".
- Business has to be smarter: More and more companies want to know what the money they spend will be specific, so advanced features such as demand planning and war planning Strategic procurement (strategic sourcing) will grow more sophisticated to meet the increasing needs of businesses.
- Optimizing labor capacity: SCM software has the ability to manage employees and optimize their working ability. This system can create a list of tasks for a worker and help him complete each task in just one turn.

## 2.3. Benefits of supply chain management software

The following benefits of commodity/material supply chain management software are significant

- Increase efficiency. First and foremost, supply chain management software is designed to improve business performance, from warehousing and storage to distribution and delivery management. Thanks to the fully automated supply chain process, the time to implement logistics business is clearly reduced, the link between the links in the supply chain more closely, thereby helping businesses provide goods for customers are faster, more accurate and help businesses speed up cash flow.
- Cut down the costs. The ability to accurately forecast market demand plus increased efficiency allows businesses to cut labor costs, minimize inventory costs and avoid waste. In addition, the smart features of SCM help businesses find unreasonable costs to eliminate. Specifically, SCM software allows managers to know who to buy the cheapest materials, how to coordinate transportation to reduce transportation costs, or arrange warehouse space to facilitate loading and unloading process to maximize the storage capacity.
- Analysis of trends and business data. Business Intelligence features, in addition to helping control costs, optimizing inventory constraints, can help increase revenue by identifying high-performance products that support business decision-making, analyzing information from the market as well as within the enterprise.
- Extensive vision, effective control. Effectively manage the whole and each stage of the supply chain such as suppliers, production workshops, archives and systems of distribution channels and consumers.

In addition to the above benefits, the application of supply chain management software system into business activities has a big disadvantage in cost of operation. However, if the business has successfully deployed and optimized, this problem will be eliminated.

## 2.4. The role of enterprises in SCM application

This simple example above also shows the extremely important role of the Supply Chain in businesses. The Supply Chain now plays a huge role. It directly affects the production and business activities of the company. Good Supply Chain Management activities will help businesses achieve competitive advantages, have a foothold in the market, expand the strategy and reachability of businesses. Supply Chain Management is closely linked to almost all operations of manufacturing enterprises, from planning and managing the process of sourcing, purchasing, producing finished products from raw materials, and managing post-production needs to coordinate with partners, suppliers, intermediate channels, service providers and customers. In general, Supply Chain Management includes managing supply and demand throughout the system of businesses. Thanks to effective Supply Chain management, world-class corporations such as Dell and Wal-Mart achieve 4% - 6% higher profit than their competitors. This competitive advantage is not small at all. Well perform supply chain management activities ensure the input and output of goods.

At the input, the amount of goods of the enterprise is forecasted to meet the needs of consumers, market demand, reduce inventory of goods and the level of risk of the business. At the output of the product, the product provides enough for the market, bringing about revenue progress, ensuring the best revenue. In addition, good management of the supply chain also provides logistics and logistics operations, bringing goods to businesses and customers quickly, ensuring "freshness" of goods, minimizing costs and increasing profits. Supply chain management (SCM) is a new, modern management method that brings much value to businesses. In the fiercely competitive environment and the trend of globalization today, competition occurs between supply chains rather than between individual firms. With the benefits that SCM brings, especially for SMEs along with the difficulties that SMEs in the export sector are facing, the author believes that investing in SCM is necessary to help SMEs exist and develop in the current competitive international environment. To successfully and effectively share information, businesses need:

1. Investing in information technology infrastructure, especially investing in security systems
2. The commitment of senior executives and clear strategy is needed
3. Handling information technology incompatibilities, awareness and understanding related to information between partners
4. Building trust, risk sharing among partners

### 2.5. The importance of supply chain management

90% of CEOs in the world place supply chain management first when competition in the market is increasing, market prices and procurement prices of supplies are increasingly tightened. The supply chain has a great impact that will dominate the market and customers' trust, create shareholder value, expand strategy and reach out to businesses. In addition, in the current business environment, the supply chain is one of the factors determining the competitiveness of businesses compared to competitors in the same industry. Thanks to an efficient supply chain, large international corporations such as Dell and Wal-Mart have achieved 4-6% higher profits than their rivals. An independent study also found that some of the leading companies in the world, such as Apple, Coca-cola, and Samsung, have made good use of their supply chain to rise in a competitive environment, achieve 40% higher corporate value than other competitors. In addition, studies have shown that effective supply chain management can bring:

1. Costs for supply chains decreased by 25-50%
2. The amount of inventory decreased by 25-60%
3. Accuracy in production forecast increased by 25-80%
4. Improve the supply order by 30-50%
5. Increase after-tax profit up to 20%

According to the globalization trend, with many foreign companies pouring investment capital into Vietnam and Vietnam step by step integrating into large global supply chains, supply chain management is getting more and more focused than before. However, it can be said that supply chain management is still a relatively new category in Vietnam even though each stage of that has been going on for a long time.

### 3. Research results and discussions

The logistics sector plays a very important role in the socio-economic development process, while the burden of logistics costs is a major barrier for Vietnamese enterprises today. In recent years, logistics activities have been interested in investing by enterprises, but the results are still limited. This has made the price and cost of goods production of enterprises generally high, reducing the competitiveness of enterprises in the domestic and international markets. The emergence of initial supply chain management is just a combination of transport and logistics with the procurement of goods, all collectively referred to as the procurement process. This initial consolidation process soon expanded into the distribution and logistics sectors for end-users. Manufacturing companies began integrating material management functions into these processes. Since then, the supply chain has played an increasingly important role in businesses. Supply chain management is associated with almost all business activities: from planning and managing the process of sourcing, purchasing, producing finished products from raw materials, logistics management to coordination with partners, suppliers, intermediary channels, service providers and customers. In general, supply chain management includes managing supply and demand throughout the system of businesses. According to McKinsey's research on logistics in emerging markets, at the macro level, a 10% reduction in logistics costs could lead to saving national resources equivalent to 1.5% - 2% of GDP. At the enterprise level, reducing logistics costs will contribute to improving the competitiveness of businesses, increasing the business efficiency of enterprises. In order to overcome existing problems, enterprises need to pay attention to solving the following issues:

- First, centralize logistics activities by building logistics boards or logistics departments. In order to manage all logistics operations, companies will set up a logistics division to look for opportunities to reduce costs and coordinate all logistics operations. This department ensures that the company is as effective as possible by identifying and sharing the logistics experience for all of its business units. It is necessary to focus on a number of activities that account for a high proportion of the overall logistics costs of enterprises such as warehousing and transportation. Specifically, for warehousing activities, enterprises can take advantage of the technique of "cross-docking" to reduce inventory-related costs and improve delivery efficiency. For transport activities, enterprises should calculate and consider which form of transport is suitable for each type of goods, delivery time and cost of the enterprise willing to pay for transporting the product type, such goods. In addition to using available transport, businesses can use the transport services of many different companies or sign long-term contracts with transport companies, so that businesses can enjoy high discount rates and more benefits attached. In fact, through this "standardized" activity, businesses have cut costs and customer service significantly increased.

- Second, develop strategic relationships with logistics service providers (3PL). Businesses can develop partnerships with 3PLs to cut costs or focus on core competencies. 3PLs will take advantage of their effectiveness and expertise to cut costs for businesses. The use of highly qualified contract employees from professional vendors

helps businesses save significant costs compared to rebuilding a separate operating system for the company. In addition, 3PLs will help businesses without capital investment in large assets, allocated resources and restructured costs more efficiently, so businesses will invest more in the core and dominant fields, improving the own business performance.

Logistics được ghi nhận như một chức năng kinh tế chủ yếu, một công cụ hữu hiệu mang lại thành công cho các doanh nghiệp cả trong khu vực sản xuất lẫn trong khu vực dịch vụ. Việc giảm chi phí logistics luôn được các nhà quản trị trên thế giới đặt lên hàng đầu trong chương trình giảm tổng chi phí cho doanh nghiệp, từ đó nâng tầm vị thế cạnh tranh của sản phẩm, hàng hóa, đồng thời hiệu quả sản xuất - kinh doanh của doanh nghiệp được nâng cao. Công ty nào cũng luôn tìm mọi cách để tạo một kênh liên lạc thông suốt giữa nhà cung ứng và khách hàng của họ, xóa bỏ những nhân tố cản trở khả năng sinh lời, giảm chi phí, tăng thị phần và giành được đông đảo khách hàng. Vì lý do đó, SCM được xem như một giải pháp tốt để nâng cao hiệu quả kinh doanh. Với SCM, việc chia sẻ dữ liệu kinh doanh sẽ không bị bó hẹp trong nội bộ doanh nghiệp, mà đã lan truyền đến nhà cung ứng, nhà sản xuất và nhà phân phối. Có thể nói, đây chuyên cung ứng luôn chú trọng tới mọi hoạt động sản xuất của công ty bạn, cả trong hiện tại lẫn tương lai, nhằm cân đối giữa cung và cầu, đồng thời phản hồi lại sự thay đổi trên thị trường. Hãy đưa tất cả các thông tin liên quan tới dây chuyền cung ứng, từ nhà cung ứng tới hệ thống hậu cần nội bộ, đến các kênh phân phối sản phẩm, khách hàng... vào hệ thống ERP, bạn sẽ thấy hoạt động sản xuất của mình trở nên thông suốt và hiệu quả như thế nào. Đối với nền kinh tế quốc dân, hoạt động logistics có nhiệm vụ tận dụng tối đa năng lực của hạ tầng cơ sở, phương tiện một cách tốt nhất nhằm thỏa mãn tốt nhất yêu cầu của chủ hàng trong việc lưu thông phân phối. Logistics là một chức năng kinh tế chủ yếu, vai trò rất quan trọng đối với nền kinh tế nói chung và từng doanh nghiệp nói riêng. Trên thế giới logistics đã và đang phát triển mạnh mẽ. Ở Việt Nam, logistics đã bắt đầu được nhìn nhận như một công cụ “sắc bén” đem lại thành công cho doanh nghiệp cũng như nâng cao năng lực cạnh tranh cho nền kinh tế quốc gia. Sự khác biệt của Logistics và Supply Chain (Chuỗi Cung Ứng) được mô tả dưới bảng sau:

Logistics is recognized as a key economic function, an effective tool to bring success to businesses both in the manufacturing sector and in the service sector. The reduction of logistics costs is always the top management in the world in the program to reduce total costs for businesses, thereby enhancing the competitive position of products and goods, and at the same time production efficiency. Every company always seeks to create a smooth communication channel between suppliers and their customers, eliminating factors that interfere with profitability, reduce costs, increase market share and gain large numbers of customers. For that reason, SCM is considered a good solution to improve business efficiency. With SCM, the sharing of business data will not be confined within the enterprise, but has spread to suppliers, manufacturers and distributors. It can be said that the supply chain always pays attention to all production activities of your company, both in the present and the future, to balance supply and demand, and respond to changes in the market. Put all the information related to the supply chain, from the supplier to the internal logistics system, to the product distribution channels, customers into

the ERP system, you will see production How to become transparent and effective. For the national economy, logistics activities have the duty to make the most of the capacity of infrastructure and facilities in the best way to best satisfy the requirements of goods owners in distribution distribution. Logistics is a major economic function, a very important role for the economy in general and each business in particular. Logistics world has been developing strongly. In Vietnam, logistics has begun to be seen as a "sharp" tool to bring success to businesses as well as improve competitiveness for the national economy. The difference of Logistics and Supply Chain is described below:

Table 1

Criteria	Logistics	SCM
Goals	Reduce logistics costs, increase service quality	Reduce overall costs, increase external activities such as cooperation and coordination with other partners. Thus increasing the operational efficiency of the entire enterprise
Tasks	Transport, warehousing, forecast, delivery, service...	Including all activities of logistics and other activities such as supply management, production, and cooperation with customers
Scope of activities	Inside the company	In and outside the company
Scope of influence	Short and medium term	Long term

## 4. Conclusions and Recommendations

### 4.1. Conclusions

Năm 2016, cả nước có hơn 500.000 doanh nghiệp nhỏ và vừa, chiếm đến 97% tổng số doanh nghiệp đang hoạt động. Với bản chất “nhỏ”, doanh nghiệp nhỏ và vừa thường có “quyền lực” nhỏ hơn so với nhà cung cấp lớn. Đây thật sự là một thách thức đối với các doanh nghiệp nhỏ và vừa trước áp lực cạnh tranh ngày càng gay gắt ở cả thị trường trong và ngoài nước. Liên kết, cải thiện chuỗi cung ứng sẽ giúp doanh nghiệp nhỏ và vừa nâng cao năng lực cạnh tranh trên thị trường. Quản lý chuỗi cung ứng (SCM) đòi hỏi phải phát triển một chiến lược chuỗi cung ứng hiệu quả. Chiến lược chuỗi cung ứng của bạn nên tập trung vào việc chuyển giao và di chuyển hàng tồn kho hiệu quả – đó là cách hiệu quả duy nhất để cân bằng giữa những khó khăn thường khó dự báo về nhu cầu của khách hàng và nhà cung cấp. Bạn muốn loại chuỗi cung ứng nào? Không có một cách đúng đắn nào được áp dụng cố định để tổ chức và tối ưu hóa chuỗi cung ứng của bạn có thể được tổ chức xung quanh các bộ tiêu chí khác nhau. Các sản phẩm có vòng đời ngắn có thể yêu cầu chuỗi cung ứng tập trung vào tốc độ. Thay vào đó, các ngành công nghiệp cạnh tranh cao có thể tập trung vào hiệu quả chuỗi cung ứng để tiết kiệm chi phí. Một cách tiếp cận chuỗi cung ứng linh hoạt hơn có thể phù hợp với các ngành công nghiệp có nhu cầu theo mùa. Chiến lược của bạn nên phù hợp với áp lực kinh doanh và yêu cầu của khách hàng mà bạn gặp phải trong thế giới thực. Thực trạng các sản phẩm nông nghiệp hiện nay ở nước ta là niềm tin. Khi cả người tiêu dùng trong nước lẫn nước ngoài lo ngại về nguồn gốc và chất lượng sản phẩm. Do đó, cần nhanh chóng lấy lại niềm tin cho người tiêu dùng trong nước trước khi thị phần nông sản Việt rơi dần vào tay những sản phẩm ngoại nhập. Ngoài ra, cần phải nói thêm vấn đề lựa chọn sản phẩm của người tiêu dùng. Khi so sánh về giá giữa hai sản phẩm, đa

số có xu hướng chọn mặt hàng rẻ hơn, dù mức chênh lệch là không nhiều. Điều này vô tình tạo nên xu hướng cạnh tranh không lành mạnh khi một số nhà sản xuất vì muốn hạ giá bán mà bỏ qua một số công đoạn cần thiết hay lựa chọn những đối tác kém chất lượng trong nhiều khâu liên quan. Từ đó, việc lựa chọn sản phẩm giá rẻ lại tạo tác động tiêu cực lên người tiêu dùng. Tuy nhiên, nếu so sánh hai sản phẩm lần nữa mà bên mắc hơn vì có được các tem, nhãn dán đảm bảo nguồn gốc, chất lượng thì ít hẳn người tiêu dùng sẽ chọn mặt hàng này. Tất nhiên, các tem, nhãn kia cũng phải được xây dựng trên một nền tảng đáng tin cậy và có thể liên tục được kiểm chứng. Bên cạnh việc lấy lại vị thế trong nước thì việc tạo niềm tin cho nông sản Việt đi ra biển lớn cũng là vấn đề phải được quan tâm. Đối với các thị trường phát triển như Mỹ, châu Âu thì tiêu chuẩn sản phẩm có thể nhập khẩu vào đây mà họ đề ra là rất cao. Trong đó, thực phẩm có lẽ đứng đầu danh sách này, bởi tác động trực tiếp đến sức khỏe người tiêu dùng. Có thể thấy, nếu gia tăng xuất khẩu vào được các thị trường này, thu nhập của người làm nông sẽ được cải thiện rất nhiều, góp phần phát triển đất nước. Tuy nhiên điều này là không dễ và chúng ta đã không ít lần chứng kiến cảnh sản phẩm Việt bị từ chối, phải trả ngược về nước vì lý do an toàn thực phẩm, làm hao tổn các khoản chi phí trước đó như đóng gói hay vận chuyển của doanh nghiệp chủ quản. Chính vì vậy, hãy cùng trở lại với tính cấp thiết của việc phát triển quản lý Chuỗi Cung Ứng trên nền tảng Blockchain. Với các ưu điểm như tính minh bạch hay tính bất biến. Giải pháp này chính là tương lai trong việc quản lý Chuỗi Cung Ứng.

In 2016, there were more than 500,000 small and medium sized enterprises in the whole country, accounting for 97% of the total number of operating businesses. With the "small" nature, small and medium enterprises often have "power" smaller than large suppliers. This is really a challenge for small and medium-sized enterprises due to increasingly fierce competition in both domestic and foreign markets. Linking and improving supply chains will help small and medium enterprises improve their competitiveness in the market. Supply chain management (SCM) requires the development of an effective supply chain strategy. Supply chain strategy should focus on efficient inventory transfer and movement. It is the only effective way to balance difficulties that are often hard to predict about the needs of customers and suppliers. What kind of supply chain do you want? No right way is fixed to organize and optimize supply chains. Depending on the industry and specific objectives, your supply chain can be organized around different sets of criteria. Short-life products may require a supply chain focusing on speed. Instead, highly competitive industries can focus on supply chain efficiency to save costs. A more flexible supply chain approach can be tailored to industries with seasonal needs. Strategy should match the business pressure and customer requirements that are encountered in the real world, when both domestic and foreign consumers are concerned about the origin and quality of products. Therefore, it is necessary to quickly regain confidence for domestic consumers before the Vietnamese agricultural market share falls into the hands of imported products. In addition, it is necessary to say more about the choice of consumer products. When comparing prices between two products, most tend to choose cheaper products, although the difference is not much. This inadvertently creates a trend of unfair competition when some manufacturers want to lower the price but ignore some

necessary steps or choose poor quality partners in many related stages. Since then, the selection of cheap products has a negative impact on consumers. However, if comparing two products again but more expensive because there are stamps, stickers to ensure the origin and quality, consumers will definitely choose this item. Of course, the other stamps and labels must also be built on a reliable platform that can be continuously verified. In addition to regaining domestic status, creating trust for Vietnamese agricultural products to go to the big sea is also a matter of concern. For developed markets such as the US and Europe, the standard of products that can be imported here they set is very high. In particular, food probably tops this list, by directly affecting consumer health. It can be seen that, if increasing export to these markets, farmers' income will be greatly improved, contributing to the development of the country.

#### 4.2. Recommendations

Look at SCM comprehensively: supply chain management requires more than sales and inventory information. Technology for forecasting has become much more reliable and detailed. Forecasting tools supported by high-performance computing resources can generate reliable forecasts based on sales data as well as demographic data, geographic trends and even forecasts of the weather.

Keep up with the industry's SCM trend: Each industry has its own demand controller, industry standard and supply chain management protocol. These changes evolve over time. We can reconfigure our supply chain strategy in response to all technology trends or inventory management. If some of our suppliers start asking for certain types of information or are switching to supply models just in time or if suppliers seem to be associated with a specific data standard, at the very least, we should be cautious and prepared to change our supply chain strategy so that we are ready to accept change it comes. A better business strategy is to stubbornly resist and avoid interruption or we need technology investment.

- Combining risk management with supply chain management: Identify risks to optimize all internal and external factors. What are the weakest or least secure links in our supply chain? How can we minimize the risks by making action plans! Then we can identify alternate suppliers or transport resources and assign team members to specific responses to incidents in the supply chain.
- Finally, implement supply chain strategy in such a way that we can continuously monitor performance and adjust accordingly to allow improvement. The process of developing supply chain strategies is both cross-functional, requiring continuous monitoring and adaptation. The market is always changing. The same is true for our customers and suppliers. By implementing a continuous improvement process, our supply chain strategy must quickly adapt and respond to those changes.

#### Solution to improve SCM in enterprises

- Firstly, there is a propaganda solution to raise awareness of enterprises about SCM.
- Secondly, supporting facilities and infrastructure for enterprises to implement SCM, in which the first support must take into account the information infrastructure system. SCM operation requires

enterprises to have an effective information management system. This is sometimes difficult for small and medium enterprises both in terms of investment capital and management capacity. Therefore, authorities can consider solutions to support information infrastructure for businesses.

Thirdly, it is particularly important for governments, regulatory agencies, and associations to promote cooperative relations, both horizontal and vertical links between small and medium enterprises in the city. In many conferences and conferences, businesses are aware of the importance of coalition and association, but the implementation of affiliate coalition is not easy for individual business. Authorities should create an environment that promotes cooperation.

The final solution concerns the qualitative change of associations. Currently, the number of business associations is large, however, the activities are formal and the movement is mainly. Associations should focus more on the internal problems of the business to create cross-links between small and medium-sized enterprises, contributing to improving the power of small and medium enterprises on the chain.

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